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ABSTRACT

This project was developed to provide a consumer information dissemination plan for North Dakota vocational home economics instructors as well as for the state laboratories consumer affairs office. Seventy-two people representing teachers, state government, business and industry, and consumers participated in two workshops to identify consumer problem areas. Major problem areas identified were (1) automobiles; (2) care and repair of equipment; (3) consumer complaint processing; (4) credit and financing; (5) door-to-door sales and telephone sales; (6) government; (7) health and safety; (8) housing; (9) insurance; (10) money management; (11) retail purchasing, marketing, and mail orders; (12) utilities; and (13) water. Using specific problems identified under each major area, a survey instrument was developed to determine consumer education priority items in high schools as perceived by home economics instructors. The consumer affairs office used the information gathered to determine that the following five brochures should be developed: "A Buyer's Rights," "When You Should Shop by Mail," "Personal Solicitation Sales--A Buyer's Right to Cancel," "When You Need Repairs," and "Landlords and Tenants-1979." A sixteen-member consumer affairs advisory council was organized to monitor consumer problems and to conduct consumer information dissemination activities. (Included in the appendixes are an outline summary of problems identified and a copy of the consumer education survey.) (LRA)

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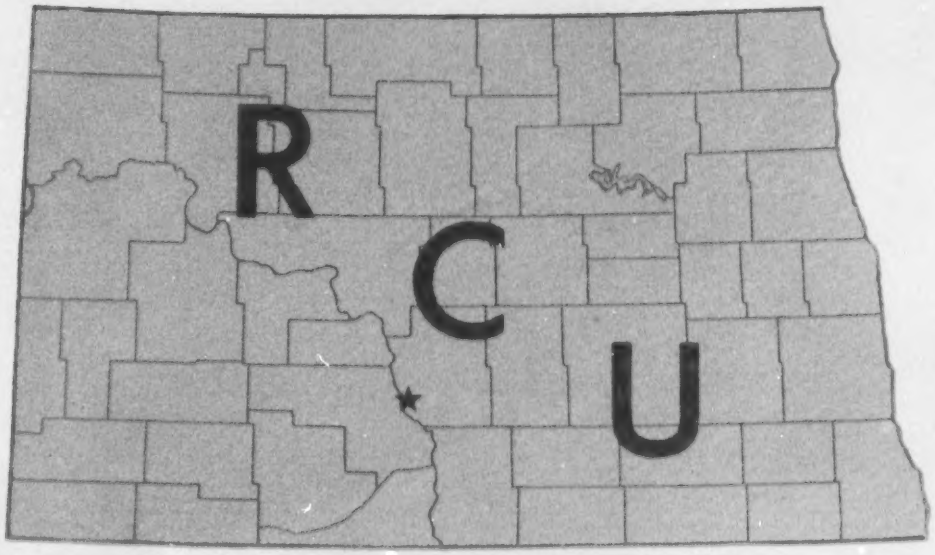
RESEARCH SERIES NO. 75

ESTABLISHMENT OF A CONSUMER INFORMATION DISSEMINATION PLAN FOR TEACHERS



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RESEARCH COORDINATING UNIT

STATE BOARD FOR VOCATIONAL EDUCATION
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The State Laboratories Consumer Affairs Office was authorized in 1973. The purpose of the CAO is to serve the needs of North Dakota's Consumers. This is done by functioning as a clearinghouse for consumer complaints on a state-wide basis, and by actively promoting consumer education and information.

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Research Project Report No. 75

Establishment of a Consumer Information Dissemination Plan for Teachers

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June 30, 1979

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ABSTRACT

The purpose of this project was to provide a consumer information dissemination plan for the State's vocational home economics instructors as well as for the State Laboratories Consumer Affairs Office.

To accomplish this plan, it was first necessary to determine those consumer problem areas where educational materials or programs were needed. Two consumer workshops were held, and seventy-two consumers participated in the effort to identify consumer problem areas.

Once the problem areas were identified, a writing workshop was held to develop mini-lessons on those topics not currently adequately covered in North Dakota's consumer education curricula.

The State Laboratories Consumer Affairs Office composed brochures which deal with five of the prominent consumer problems.

From the seventy-two persons who attended the original workshops, sixteen were selected to serve as the North Dakota Consumer Affairs Advisory Council (NDCAAC). The Council is geographically representative of all regions in North Dakota. It functions in an advisory capacity to the State Laboratories Consumer Affairs Office and serves as a means through which information flows to and from the State Laboratories Consumer Affairs Office, the Vocational Home Economics Office, and consumers throughout the state.

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Introduction

The State Laboratories Consumer Affairs Office is designated as North Dakota's Consumer Affairs Agency. The Department of Vocational Education's Home Economics Division is generally responsible for consumer education curricula in the state's public schools. At a January, 1978 meeting, representatives from these offices expressed concern over the lack of a system for identifying and responding to the needs of consumers in all age groups. They agreed that such a system should be established.

Procedures

In an effort to identify the needs of North Dakota's consumers, consumer conferences were held in Grand Forks, ND and Minot, ND, July 18 and 19, 1978. Seventy-two persons participated in these conferences. They represented the following groups: 1) teachers, 2) state government, 3) business and industry, and 4) consumers. The information gathered at the conferences was compiled in an outline representing consumer problems which appear to be prevalent in North Dakota (appendix A) The Office of Vocational Home Economics utilized this data in the formulation of a survey which was taken of Home Economics instructors (appendix B). The results of the survey indicated those areas where teachers felt the current curriculum did not meet the needs of students as consumers.

From persons attending the July conferences, a core group of 16 persons was selected to assist in planning for state-wide consumer assistance-education (appendix C). This core group is called the North Dakota Consumer Affairs Advisory Council (NDCAAC).

In November, 1978, the NDCAAC met with the director and consumer affairs supervisor of the State Laboratories Department

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and the state supervisor of Vocational Home Economics to discuss plans. It was agreed that council members should first monitor consumer problems prevalent in their individual regions. Information gathered through council activities will be furnished to the supervisor of Vocational Home Economics and the State Laboratories Consumer Affairs Office.

On May 4, 1979, the second meeting of the NDCAAC was held. The council discussed the need for a uniform consumer complaint classification system and survey form. It was agreed that these would be developed for state-wide use. It was also decided that NDCAAC members would conduct consumer information dissemination activities.

On June 19 and 20, 1979, a consumer education writing workshop was held in Bismarck, ND. Four consumer education instructors reviewed the current curriculum, determined areas where new or additional information was necessary (based on the survey conducted by the office of Vocational Home Economics), and revised the consumer education course outline to include such information. The revised course outline will be distributed to all vocational home economics instructors prior to the 1979-1980 school year and will be evaluated by those teachers during the school term. A form was devised at the workshop for use in identifying resource people, who might assist consumer education instructors by giving classroom presentations or providing resource materials.

The State Laboratories Consumer Affairs Office used the information gathered at the July 18 and 19, 1978 meetings to determine those public information brochures which should be developed in 1979. Five brochures were written and printed for public distribution to consumers: 1)"A Buyer's Rights," 2)"When You Shop By Mail," 3)"Personal Solicitation Sales - A Buyer's Right to Cancel,"

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4)"When You Need Repairs," and 5)"Landlords and Tenants-1979."

RESULTS

The activities of the NDCAAC will be on-going and will provide the impetus for updating consumer education programs conducted by the State Laboratories Consumer Affairs Office and Vocational Home Economics Division of the Department of Vocational Education.

CONCLUSIONS

The most important achievement of this program is the establishment of the NDCAAC. The council provides "grass roots" information about consumer problems throughout the state and functions as a mechanism for getting information to consumers who are not included in public school programs.

Both the State Laboratories Consumer Affairs Office and the Department of Vocational Education's Home Economics division can utilize the NDCAAC as a continuing source of information which may be used to update consumer education programs.

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JULY 18 AND 19, 1978 CONSUMER AFFAIRS CONFERENCES: OUTLINE SUMMARY OF PROBLEMS

I. Automobiles

A. Problems

1. Sales

a. Inadequate information and warranty on used cars

b. New car defects; recalls; warranty satisfaction

c. New car design and manufacture: cost vs. actual value (quality control)

d. Marketing practice

e. Consumer trying to get something for nothing

f. Used car lemons

g. Advertised and sticker price doesn't include taxes, set-up, dealer prep cost, etc.

h. Gas mileage misrepresentation

i. Salespersons are not knowledgable enough

2. Service, Parts and Repairs

a. Service stations and other car repair businesses selling unneeded parts and/or service

b. Billing customers with no explanation of costs

c. Tire grading is difficult to interpret

d. Faulty parts - frequent replacement at consumer's expense

e. Pollution control devices are not perfected

f. Lack of written estimates

g. Requiring consumer to sign work order before work is done

h. Mechanic's lien - must pay bill before releasing car

i. No training standards for people who make repairs

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3. Miscellaneous

   a. Lack of effective self-regulation by industry

   b. Consumer attitude toward automobiles

   c. Effect of automobiles on society

   d. Seat belt availability in taxi's

II. Care and Repair of Equipment, etc.

   A. Problems

      1. Appliance dealers push sale of new product rather than repair of old

      2. Consumers' willingness to "throw away" rather than repair

      3. Lack of sufficient and clear operating instructions

      4. Difficulty in getting service

      5. Lack of directions to guide owner in making simple repairs

III. Consumer Complaint Processing

   A. Problems

      1. Lack of knowledge of rights

      2. Lack of knowledge of complaint process

      3. Where to complain - federal, state or local?

      4. Who should educate the consumer?

      5. Action lines ineffective

      6. How to use small claims court

IV. Credit and Financing

   A. Problems

      1. Establishing credit (particularly military personnel, women, and mobile families)

      2. Billing procedures (computer confusion)

      3. Credit reporting

      4. Lack of credit education

         a. Credit law - Truth in Lending

         b. Use of credit cards (responsibility)

         c. Shopping for credit

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5. Overextension of credit

6. Credit applications are too complex - demand too much information

7. Credit scoring systems unfair

8. How to establish a credit rating

9. Usurious interest rates

10. Debt collection abuse

11. Repossession

12. Lack of effective complaint mechanisms

13. Sending bills too close to "due date"

V. Door-to-Door Sales, Telephone Sales, etc.

A. Problems

1. Deceptive telephone sales

2. Home repair sales sold door-to-door

3. Pressure and/or intimidation by salesperson

4. Deceptive contracts and/or advertising

5. Consumer doesn't read contract and/or advertising carefully

6. Difficulty in contracting business and/or getting a response to straighten out problem

7. Consumers don't know where to get help

8. Lack of knowledge about three-day cooling off period

9. Lack of regulation of door-to-door and telephone sales

10. Pyramid schemes

VI. Government

A. Problems

1. How can consumers have input?

2. Too much "red Tape" - takes too long to solve problem

3. Too much government (duplication of services)

4. Too much asked of government

5. Estate tax

6. "Proposition 13" impact

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7. Unemployment compensation to strikers raises our taxes - compounds problems

8. Complexity of tax forms, laws and regulations

9. Food stamp program - lack of education in best use

10. Inter-agency jealousy over territorial rights

11. Unreceptive employees

12. Allocation of resources

13. Public doesn't know what various agencies can do

14. Need control of special assessments

VII. Health and Safety

A. Problems

1. Lack of education of proper dietary methods and health care at early age

2. Lack of advertising and selling methods in health food areas

3. Need for more explicit labeling regarding price and possible dangers of some foods and household products

4. Need for more cleanliness in some public consumption facilities

5. Lack of proper safety standards within industries which produce various consumer products

6. Liberal dispensation of drugs

7. Funeral sales methods

8. Doctor and dentist selection in a new community

9. Improper medical charges and skyrocketing medical costs - inflationary effects

10. Lack of preventive health care practices among consumers

VIII. Housing

A. Problems

1. Regular Housing

a. Verbal commitments don't give purchaser much recourse

b. Warranties are difficult to understand on all types of housing

c. Security deposits

d. Taxes

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e. Rights and responsibilities of landlords and tenants

f. Home repairs and remodeling

g. Building codes

h. Understanding closing costs, point system, taxes, financing and credit

i. Contractors' responsibilities

j. Grace period to change your mind may not be pointed out

k. Getting sub-contractors to do and stand behind work

l. New developments:

1. May cause problems for present residents

2. Low income, elderly, and handicapped housing is inadequate

3. Lack of proper inspection

4. Utility services may not be available in new developments (paved roads)

m. Lack of knowledge by home buyers

n. Lack of guidelines for builders and enforcement of them

0. Do not have competent inspectors and sufficient number of them

p. Lack of cooperation between city and developers

2. Rentals

a. Discrimination against pets and children

b. Understanding leases

c. Landlords raise rent out of proportion to property tax increases

d. Lack of information on tax breaks

e. Lack of standards for rental property

f. Unwillingness of landlords to do cosmetic repairs

3. Mobile Homes

a. Poor quality: construction, insulation, wiring, etc.

b. Mobile home owners are intimidated by park owners: ask permission to move out, pledge to use facilities, etc.

c. Meters in mobile home parks - park owners prorate and charge too much

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d. Lot sizes are too small or sub-standard (zoned into a hazardous area)

e. Low income and elderly who own mobile homes and have lot rental raised

f. Consumer lacks information on all aspects of buying home: downpayment, origination costs, closing costs, etc.

g. Affixing responsibility for repairs: dealer, manufacturer, appliance company, etc.

h. Lack of shelters in courts for storm periods

IX. Insurance

A. Problems

1. Consumer's lack of knowledge of his or her insurance needs (getting unbiased opinion)

2. Consumer's inability to understand insurance policy terminology

3. How to file an insurance complaint

4. Consumers' lack of knowledge of types of policies available

5. High pressure insurance salesperson

6. Being "over-covered" - particularly the elderly

7. Having to be hospitalized to be covered

X. Money Management

A. Problems

1. How to deal with inflationary pressures on a family budget

2. How to budget

XI. Retail Purchase, Marketing, Mail Orders

A. Problems

1. Book clubs - negative purchase agreements - return books - receive bills

2. "Sales" goods priced higher than normal

3. Ordering from "fly by night" companies

4. FTC "class action" policy

5. Running out of sale items

6. Junk foods advertised for children

7. Warranty responsibility - retailer or manufacturer?

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8. Understanding warranties: full, partial and implied

9. Salespersons misinform buyer about "return" policies

10. Buying buildings from farm building suppliers - they fail to complete construction

11. Consumer's lack of understanding of costs as related to marketing activities, including truth in advertising

12. Consumers do not understand how to use product information which is available to them

13. Consumer demanding more and willing to pay less

14. People often use mail order for bargains and have unrealistic expectations

15. Lack of understanding of delivery systems and how to solve problems

16. Lack of knowledge of law regarding mail order companies

17. Quality of workmanship in retail products

18. Built-in obsolescence

19. Lack of communication between consumer and salesperson

20. Lack of individualized sizing of clothing

21. Lack of uniform sizing of clothing

22. Poor delivery service (particularly mail orders)

23. Overpackaging of products (costs of packaging)

24. Effective use of nutritional information (use vs. cost)

25. Difficulty getting small appliances repaired

26. Seals of approval - what do they mean?

27. Ads that look like bills

28. Lack of regulation of correspondence schools

29. Misleading mail order advertisements

30. High pressure phone sales

XII. Utilities

A. Problems

1. Consumers do not understand:

a. Billing statements

b. Legal requirements that companies are to comply with

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c. Various assessments to condominium owners

d. Prorating, peak periods, increased costs

2. Difficulty in obtaining information on telephone system options available

3. Accessibility of rules and regulations concerning conduct of utility companies

4. Lack of in-house procedures for selling and billing within companies

5. Existence/knowledge of appeals procedure

6. Inconsistency in energy policies: energy shortages vs. sales of energy-consuming appliances

7. People with fixed incomes meeting increasing costs

8. Consumer practicing self discipline in energy conservation

9. Lack of information setting out energy used by different types of appliances, equipment, etc.

10. Lack of information on mineral leasing

11. Waiting period for BUDGET billing

12. Reluctance of utilities companies to mediate on past-due bills or refer customers to agencies which could help them

13. Difficulty understanding rate hearings

14. Deferred investment taxes ("phantom taxes")

15. Phone deposit and installation charges are too high

16. Attempted inclusion of construction work in progress, CWIP, by utilities

XIII. Water

A. Problems

1. Poor quality of some water systems

2. Problem with installation and location of septic tanks

3. Lack of understanding and compliance with EPA regulations

4. Lack of current and accurate information on necessary levels of chlorination

5. Dangers of water softening systems to certain people

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CONSUMER EDUCATION SURVEY

(Results reflect 58 surveys)

A statewide consumer consortium is being formed to assist the public in consumer education. In order to be more beneficial to you as educators, we need your input on this topic. The following survey will help determine consumer education priority items in North Dakota high schools.

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III. GOVERNMENT

Student	Teacher		
3	2	1.	Agencies and their functions.
4	3	2.	Government assistance programs (AFDC, Medicare, etc.)
1	1	3.	Taxes and tax laws, tax forms.
2	4	4.	How can consumer have input?
5	5	5.	Allocation of resources.
		6.	Other (SPECIFY)

IV. UTILITIES

1	7	1.	Interpretation of bills and billing statements.
3	6	2.	Installation, activation, or hook-up fees.
5	3	3.	Energy policies--both government and non-government.
4	2	4.	Energy conservation measures (suggestions).
7	5	5.	PSC rulings governing utility companies.
6	4	6.	Existence/knowledge of appeals procedure.
2	1	7.	Identifying energy--efficient appliances, equipment.
		8.	Other (SPECIFY)

V. RETAIL PURCHASE, MARKETING, MAIL ORDERS

1	4	1.	Interpreting product information (labels, instructions, catalog descriptions).
2	5	2.	Consumer rights and responsibilities.
6	6	3.	The marketing process, from raw material to finished product.
5	3	4.	What determines product cost.
4	2	5.	Advertising--analysis and interpretation.
3	1	6.	Warranties/guarantees.
		7.	Other (SPECIFY)

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VI. HOUSING

Student	Teacher	
1	2	1. Rights and responsibilities of landlords and tenants.
2	4	2. Renting vs. buying--advantages and disadvantages.
3	3	3. Housing costs--payments, deposits, down payments, taxes, utilities, etc.
4	1	4. Contracts, warranties, leases--legal aspects.
5	5	5. Home repairs and remodeling.
6	6	6. Locations--zoning, curb, gutters, schools, parks, jobs.
		7. Other (SPECIFY)

VII. CREDIT AND FINANCING

1	1	1. Establishing credit and credit ratings; maintaining accuracy of credit rating; credit applications.
5	5	2. Billing procedures.
2	3	3. Credit: types, terms, interest rates.
4	2	4. Laws governing consumer credit.
3	4	5. Consumer rights and responsibilities.
		6. Other (SPECIFY)

VIII. MONEY MANAGEMENT

6	2	1. Inflation: its effects on family/community money supplies.
1	4	2. The how's and why's of budgeting.
2	3	3. Basic principles of money management.
5	5	4. Sources of assistance for developing money management skills.
4	1	5. Dealing with financial crises--loss of job, divorce, major medical, death and burial.
3	6	6. Values and the use of money.
7	7	7. The influence of community resources on money management (transportation, entertainment, etc.).
		8. Other (SPECIFY)

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IX. INSURANCE

Student	Teacher		
3	1	1.	Insurance policy terminology.
6	5	2.	How to file an insurance claim.
1	3	3.	Types of insurance.
2	2	4.	Determining individual and family insurance needs.
4	6	5.	Where or from whom to obtain insurance.
4	4	6.	Insurance rates and benefits.
		7.	Other (SPECIFY)

Tie

X. HEALTH AND SAFETY

3	5	1.	Preventive health care measures.
1	3	2.	Selection of health care (how to choose doctor, dentist, etc.).
4	1	3.	Drugs: selection and use; prescription versus over-the-counter; generic versus brand-name).
5	4	4.	Product labeling.
6	6	5.	Medical records (maintenance, access to).
7	7	6.	Health care services (Medicare, Medicaid, patient education).
8	8	7.	Care for elderly and handicapped.
2	2	8.	Drugs (including alcohol)--uses and effects.
		9.	Other (SPECIFY)

XI. DOOR-TO-DOOR SALES, TELEPHONE SALES, ETC.

2	4	1.	How to deal with door-to-door sales persons.
5	6	2.	Handling telephone sales.
1	1	3.	Understanding contracts--terms, "cooling-off" period.
3	3	4.	Sources of consumer information and assistance.
4	2	5.	Checking reliability of salesperson, companies.
6	5	6.	Pyramid schemes.

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Student	Teacher	
7	7	7. Home parties.
		8. Other (SPECIFY)

XII. CARE AND REPAIR OF EQUIPMENT

1	5	1. How to read and interpret operating instructions.
5	3*	2. Where and how to obtain service.
2	6	3. Use and care of equipment.
6	3*	4. When to repair or recycle and when to throw away.
3	1	5. Simple repairs.
4	2	6. Warranties and guarantees.
		7. Other (SPECIFY)

XIII. WATER

1	1	1. Determining water quality.
2	3	2. Water hardness and softness; softening and purifying equipment.
4	4	3. Chlorination/fluoridation.
5	5	4. Understanding and complying with EPA regulations.
3	2	5. Protection of water system.
		6. Other (SPECIFY)

* Numbers 2&4 are tied.

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NDCAAC MEMBERS

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